

Approved as Submitted: June 16, 2004

**CITY OF MORGAN HILL
JOINT SPECIAL CITY COUNCIL AND
SPECIAL REDEVELOPMENT AGENCY MEETING
MINUTES – MAY 21, 2004**

CALL TO ORDER

Mayor Pro Tempore/Vice-Chairman Sellers called the special meeting to order at 8:35 a.m.

ROLL CALL ATTENDANCE

Present: Council/Agency Members Carr, Chang, Sellers, and Tate
Late: Mayor/Chairman Kennedy (arrived at 8:37 a.m.)

DECLARATION OF POSTING OF AGENDA

City Clerk/Agency Secretary Torrez certified that the meeting's agenda was duly noticed and posted in accordance with Government Code 54954.2.

City Council and Redevelopment Agency Action

WORKSHOP:

1. STUDY SESSION REGARDING PROPOSED 2004-2005 BUDGET

Finance Director Dilles presented an overview of the City Manager's recommended budget for Fiscal Year 2004/05. He indicated that the general fund revenues are insufficient to sustain prior levels of spending and that it will be necessary to use reserves according to the City Council's adopted multi-year budget strategy. He noted that the recommended budget reflects an \$800,000 general fund reduction in response to the Council's January 2004 direction. At that time, the Council endorsed the City Manager's Guide to Developing a Sustainable Budget Strategy. He indicated that the Guide proposes a series of steps that will bring revenues in line with expenditures by June 30, 2008, eliminating deficit spending. The Council also adjusted the General Fund reserve to 25%.

Mayor Pro Tempore/Vice-chair Sellers indicated that the Council has not had the discussion of reasons for dipping below the 25% reserve.

The City Council/Redevelopment Agency received presentations from each department head and management staff relating to their respective proposed Fiscal Year 2004-05 budgets, including the Capital Improvement Program budget.

Action: *The Council **Discussed** the proposed Fiscal Year 2004-05 Budget for the City and Redevelopment Agency as well as the Capital Improvement Project Budget. Staff was **Directed** to return with the following:*

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- *Incorporate Council's policy statements from the goal setting retreat into budget policies of the budget document.*
 - *Prepare analysis for past two years and the budget year showing how much has been allocated and spent on Community Promotions.*
 - *Investigate possible private sponsorship for the recycling calendar*
 - *Report on the number of participants utilizing the after school programs*
 - *Determine how many hours of part time/temps are being budgeted in the Recreation programs.*
 - *Analysis of the Community Development fund balance trends over the past five years.*
 - *Revise section of the budget to reflect the budgeted recommendations by showing the amount of RDA funds spent, committed or recommended through June 30, 2005.*
 - *Analyze fund balance and projects in Fund 347 "public facility" and evaluate whether any discretionary balances can be used for the library project.*
 - *The City/School Liaison Committee should: a) agendize the discussion of a city/school partnership on School Resource Officers (SROs) at Britton, Live Oak and Sobrato; and b) discuss potential maintenance partnerships for landscape maintenance at school/park interface.*
 - *Return with a proposal to reduce an additional \$100,000 from the FY 2004/5 proposed General Fund expenditures.*

The Council commended staff for recommending a budget that moves toward the direction of achieving the Council's sustainable balanced budget/long range budget strategy.

FUTURE COUNCIL-INITIATED AGENDA ITEMS:

No items were identified.

ADJOURNMENT

There being no further business, Mayor/Chairman Kennedy adjourned the meeting at 2:49 p.m.

MINUTES RECORDED AND PREPARED BY:

IRMA TORREZ, CITY CLERK/AGENCY SECRETARY